
OLR Bill Analysis

sHB 5321

AN ACT CONCERNING THE OFFICE OF HEALTH CARE ACCESS AND NOTICE BY HEALTH CARE FACILITIES REGARDING CONTRACTS FOR SERVICES.

SUMMARY:

This bill makes several changes to the statutes governing the Department of Public Health's (DPH) Office of Health Care Access (OHCA). It:

1. requires OHCA, when evaluating a certificate of need (CON) application, to consider its financial feasibility for the applicant instead of its impact on the financial strength of the state's healthcare system (§ 1);
2. requires OHCA to issue a decision on a completed CON application within 60 days after closing the public hearing record instead of after the public hearing date (§ 2);
3. requires short-term acute-care general hospitals and children's hospitals to submit quarterly operational and utilization data to OHCA by the last day of January, April, July, and October (§ 3);
4. extends from February 28 to March 31 the date by which a hospital must annually file certain information with OCHA regarding uncompensated care to the indigent (§§ 4 & 8);
5. requires OCHA to update its state-wide health care facilities and services plan biennially rather than every five years (§ 6);
6. requires OCHA to conduct its statewide health care facility utilization study biennially rather than annually (§ 6);
7. removes OHCA's authority to require a hospital's independent auditor to review discounted rates and charges it negotiated

with a payer (§ 7);

8. allows OHCA to release patient-identifiable data to certain governmental entities for specified purposes (§ 9); and
9. establishes notification requirements for certain health care facilities that contract out for the provision of health care services (§ 10).

The bill makes technical and conforming changes and deletes obsolete provisions in §§ 5 and 7.

EFFECTIVE DATE: October 1, 2012

§ 10 — NOTIFICATION REQUIREMENTS FOR FACILITIES CONTRACTING OUT FOR HEALTH CARE SERVICES

The bill establishes notification requirements for certain health care facilities that contract out for the provision of “health care services” (the bill does not define this term). It applies to any facility that contracts with a corporation, limited liability company, organization, partnership, firm, or association licensed or certified by the state to provide health care services.

Within three business days after entering into the contract or 21 business days before it takes effect, whichever is later, the health care facility must (1) notify the DPH commissioner in writing of its intended or actual contract and (2) publish notice of its intended or actual contract in a conspicuous place on its website. The notice must include a description of the services that will be provided under the contract. The notice requirements do not apply to a contract between a health care facility and a licensed health care professional who works as an independent contractor at the facility.

Under the bill, “health care facility” means a DPH-licensed hospital; specialty hospital; freestanding emergency department; licensed outpatient surgical facility; state hospital, institution, or facility serving public assistance beneficiaries; central service facility; mental health and substance abuse treatment facility; or any other facility requiring

a CON. It includes a facility's parent company, subsidiary, affiliate, or joint venture.

§ 9 — RELEASE OF PATIENT-IDENTIFIABLE DATA

By law, patient-identifiable data OHCA receives must be kept confidential and is not considered a public record or file subject to disclosure under the Freedom of Information Act. Under current law, OHCA cannot release patient-identifiable data except (1) for medical and scientific research purposes as provided by law (CGS § 19a-25) and regulations and (2) to the comptroller pursuant to a memorandum of understanding that requires him to keep it confidential.

The bill also allows OHCA to release patient-identifiable data it receives to (1) a state agency for the purpose of improving health care service delivery, (2) a federal agency or the attorney general's office to investigate hospital mergers and acquisitions, or (3) another state's health data collection agency with which OHCA has a reciprocal data sharing agreement for reviewing a CON or evaluating health care services.

The bill allows the release of this data only if the agency (1) requests it and (2) enters into a written agreement with OHCA to keep the data confidential and not use it as the basis of any decision about a patient. The law prohibits the recipient of patient-identifiable data from releasing it in any manner that would result in the identification of any individual patient, physician, provider, or payer.

The law defines "patient identifiable data" as any information that identifies, or may reasonably be used as a basis to identify, an individual patient, including data from patient medical abstracts and bills.

§ 7 — NEGOTIATED DISCOUNTS

The law permits hospitals to negotiate agreements for rate discounts and reimbursement methods with insurers, HMOs, and other payers. These agreements are not effective until they are filed at the hospital's business office and must be available for OHCA inspection. The

hospital must total each payer's charges and payments and report it as OHCA requires. The bill removes OHCA's authority to require the hospital's independent auditor to review these figures, at the hospital's expense.

The bill also deletes an obsolete provision requiring OHCA to disallow an agreement that gives a discount in excess of amounts set in law and to adopt associated regulations. (OHCA has not regulated these discounts since 1994.)

§§ 4 & 8 — UNCOMPENSATED CARE REPORTING

By law, OHCA and the Department of Social Services must annually review the level of uncompensated care each hospital provides to indigent people. Hospitals must file with OHCA (1) audited financial statements and (2) a verification of their net revenue for the most recently completed fiscal year. The bill extends the filing deadline for the latter from February 28 to March 31. The deadline for the former remains March 31.

§ 6 — STATEWIDE HEALTH CARE FACILITY UTILIZATION STUDY

The bill requires OHCA to conduct its statewide health care facility utilization study and report its findings to the Human Services and Public Health committees biennially rather than annually. It also suggests, rather than requires, that the study assess:

1. the current availability and use of care in acute care and specialty hospitals, emergency rooms, outpatient surgical centers, clinics, and primary facilities;
2. the geographic areas and subpopulations that may be underserved or have limited access to specific types of services; and
3. other factors OHCA deems pertinent.

COMMITTEE ACTION

Public Health Committee

Joint Favorable Substitute

Yea 18 Nay 10 (03/29/2012)